

Writing a Business Plan

featuring

The Toothpaste Millionaire

by Jean Merrill

Introduction: In the book *The Toothpaste Millionaire*, sixth-grader Rufus Mayflower doesn't set out to become a millionaire but by the time he reaches the eighth grade he is a millionaire. What if he had written a business plan? Could he have become a millionaire in the seventh grade?

Time Required: 30-40 minutes.

Materials:

- Visual-Can You Be an Entrepreneur?
- Visual- Possible Business Ideas
- Activity Sheet: One Page Business Plan
- Writing Tools
- Optional: Copies of *Billy Sure: Kid Entrepreneur* by Luke Sparke [Simon & Schuster, 2015] and *Cleo Edison Oliver: Playground Millionaire* by Sundee Frazier [Scholastic, 2016]

Objectives:

- The student will be introduced to the definition of entrepreneur.
- The student will review the economic concepts: business plan, entrepreneur, exchange, goods, productive resources, profit, scarcity, and services.
- The students will complete a simple business plan.

Virginia History and Social Science Standards of Learning (2015):

- 2.9 The student will distinguish between the use of barter and the use of money in the exchange for goods and services.
- 2.10 The student will explain that scarcity (limited resources) requires people to make choices about producing and consuming goods and services.
- 3.8 The student will demonstrate an understanding of different cultures and the natural, human, and capital resources they used in the production of goods and services.
- CE.12 The student will demonstrate knowledge of the structure and operation of the United States economy by
- a) describing the types of business organizations and the role of entrepreneurship;

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- CE.14 The student will demonstrate knowledge of personal finance and career opportunities by
- identifying talents, interests, and aspirations that influence career choice;
 - identifying attitudes and behaviors that strengthen the individual work ethic and promote career success;

C3 Framework for Social Studies State Standards

D2.Eco.1.3-5. Compare the benefits and costs of individual choices.

D2.Eco.7.6-8. Analyze the role of innovation and entrepreneurship in a market economy.

D2.Eco.6.K-2. Explain how people earn income.

D2.Eco.6.3-5. Explain the relationship between investment in human capital, productivity and future income

Voluntary National Content Standards in Economic (2nd edition)

Content Standard 14: Entrepreneurship

Benchmark Grade 4:

- Students will be able to use this knowledge to: Identify the risks and potential returns to entrepreneurship, as well as the skills necessary to engage in it. Understand the importance of entrepreneurship and innovation to economic growth, and how public policies affect incentives for and, consequently, the success of entrepreneurship in the United States. Entrepreneurs are individuals who are willing to take risks, to develop new products, and start new businesses. They recognize opportunities, like working for themselves, and accept challenges.

Benchmark Grade 8:

- Entrepreneurs accept the risks in organizing resources to produce goods and services because they hope to earn profits.
- In addition to profits, entrepreneurs respond to other incentives including the opportunity to be their own boss, the chance to achieve recognition, and the satisfaction of creating new products or improving existing ones. In addition to financial losses, other disincentives to which entrepreneurs respond include the responsibility, long hours, and stress of running a business.

Economic Concepts

- Business Plan**--an organized listing of all the factors needed to start and operate a successful business.
- Entrepreneur** --The individual who comes up with an idea for a good or service and who organizes the human, natural, and capital resources to produce that good or service.
- Exchange**-The process of trading goods and services either through barter or through the use of a medium such as money.

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- **Goods**—tangible products used by consumers or producers.
- **Productive resources**—the natural, human (labor), and capital resources used to produce a good or service
- **Profit**—the difference between revenues and the costs entailed in producing or selling a good or service. Profit is the reward to a successful entrepreneur.
- **Scarcity**—the condition of limited resources. Because resources are limited, people must make choices.
- **Services**—beneficial work which does not result in a tangible product—for example, haircuts and medical care.

Procedure:

- Collect and prepare materials prior to class.
- Introduce the lesson by telling the students that the main characters in *Billy Sure: Kid Entrepreneur* by Luke Sharpe and *Cleo Edison Oliver: Playground Millionaire* by Sundee T. Frazier might have been young kids but that did not stop them from wanting to make money. They both were interested in starting a business of their own.
- Display the visual “Can You Be an Entrepreneur?” Use it to guide a discussion with the students.
 - 1) Business is simply voluntary trade. You do business almost every day. Describe the last time you traded (exchanged) money for a product or service. Describe the last time you traded (exchanged) a product or service for money. Possible answers include: buying a hamburger at a fast-food franchise, purchasing a movie ticket, paying to have a haircut.
 - 2) Describe the last time you traded (exchanged) a product or service for money. Possible answers include: selling vegetables from the garden, babysitting, pet walking, mowing the lawn.
 - 3) Every time you get paid for doing work or selling something, you are conducting business. What would happen if you started operating your babysitting or lawn-mowing ventures like a real business? Possible answers include: You might make lots of money. You would have to work hard. You would have less free time.
 - 4) What are some advantages of owning a business? Possible answers include: You would be your own boss. You would get work experience. You would earn money. You would set your own schedule. You would learn how to handle money.
 - 5) What can you call yourself when you are the owner of a business? Possible answers include: boss, CEO, president, proprietor, and entrepreneur.
- Inform the students that they are going to take the first step of becoming an entrepreneur by thinking of a possible business they could start. They are going to write a business plan. You may either brainstorm possible businesses with the students or display the suggestions on the visual “Possible Business Ideas”. Encourage students to be creative and think of a unique idea of their own.

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- Distribute the activity sheet, "One Page Business Plan" and writing tools. Instruct the students to fill in the information on the activity sheet. Students may work independently or in pairs.
- Allow students time to present their business plans to the class

Visual-

Can You be an Entrepreneur?



Some people think running a business is very difficult and should be left to experts. They're wrong. It is possible for young people to start and run successful business enterprises while they are still in school.

Discuss the following:

1. Business is simply voluntary trade. You do business almost every day. Describe the last time you traded money for a product or service.
2. Describe the last time you traded (exchanged) a product or service for money.
3. Every time you get paid for doing work or selling something, you are conducting business. What would happen if you started operating your babysitting or lawn-mowing ventures like a real business?
4. What are some advantages of owning a business?
5. What might you have to give up in order to start and operate a business? (For example, activities that you won't have time for if you are running a business.)
6. What can you call yourself when you are the owner of a business?

What Is an Entrepreneur?

An entrepreneur is a person who starts and runs a business. If you are interested in starting a business, preparing for a career, or just getting a part-time job, learning about entrepreneurship will be helpful.

Visual-

Possible Business Ideas



The following list contains possible goods and services a young entrepreneur might consider when starting a new business venture.

- 1) Babysitting
- 2) Bake cookies & muffins
- 3) Buy and sell used bikes and skateboards
- 4) Clean/organize garages and sheds
- 5) Coach sports
- 6) Deliver newspapers
- 7) Gift wrapping service
- 8) Growing and selling fresh fruits and vegetables
- 9) House-checking (for families on vacation)
- 10) House cleaning services
- 11) Lemonade stand
- 12) Make greeting cards
- 13) Mow lawns
- 14) Pet sitting
- 15) Pet walking
- 16) Plant watering
- 17) Rake leaves
- 18) Selling used clothing
- 19) Shopping service for senior citizens
- 20) Shovel Snow
- 21) Selling refreshments at local ball games
- 22) Taking photographs
- 23) Tutoring services
- 24) Jewelry making
- 25) Wash car

Activity-

One Page Business Plan

Name: _____

Age: _____

I. Name of business?

II. How can you describe the business? (Write no more than three sentences)

III. What good or service do you plan to sell?

IV. Who will buy it? (Who are your customers?)

V. How will you attract customers?

VI. How much do you plan to charge for your good or service?

VII. How much money do you think is needed to get the business started?
